

Chapter Contents

Chapter One—DETERMINATION OF NEED FOR OUTSIDE SERVICES

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Chapter One

DETERMINATION OF NEED FOR OUTSIDE SERVICES

1.1 PROCURING PROFESSIONAL SERVICES—INTRODUCTION

Procuring most professional services is a three-step process. The first step, Chapter 1, is to determine a need exists, justify it, and obtain the Secretary's written approval. The second step is to advertise for Letters of Interest from firms interested in performing the work, Chapter 2. The third step is to evaluate the interested firms and select the most qualified, Chapter 3. Chapters 4, 5, 6, 7, and 8 cover contract negotiations, agreement preparation, payment and reporting, monitoring and performance of work in progress, and procurement of additional or supplemental services.

Chapter 9 addresses procurement of needs in the Small Service area involving projects within the current dollar threshold established by the Contracting and Purchasing Advisory Council.

Chapter 10 addresses Specialized Services, Chapter 11 addresses Critical Needs and Emergency services and Chapter 12 addresses Sole Source Services.

Steps one and two in the process are the responsibility of the Project Manager working with the Consultant Control Coordinator.

The following summarizes the requirements as found in Chapters 1 and 2 for an initiating section to reach the selection phase. Much time can be lost if the items listed are not accomplished. A significant amount of data developed in Chapter 1 can be used in the advertising process as described in Chapter 2. The chapter and

paragraph location of details for each item is shown in parenthesis:

- project initiation (1.2),
- Director's approval (1.3),
- project evaluation (1.5),
- DBE goals (1.6),
- Secretary's approval (1.7),
- agreement number (2.1),
- authorization and funding approval—FS-1 (2.3),
- request to advertise for services (2.4).

1.2 DETERMINATION OF NEED

1.2.1 INITIATION OF PROJECTS

The Office of Financial Management and Budget is responsible for developing and maintaining the Department's Capital Improvement and operating programs. To meet program goals, it is necessary for this Office to track project work scopes, maintain current project estimates, and establish project priorities.

The Office of Financial Management and Budget is responsible for initiating approved projects through the issuance of a Combined Project Initiation and Project Number Request

Form. Refer to the example in Figure 1-1.

The project must be initiated before the professional service procurement process can begin. An approved initiation form assures that the intended work is in either the Department's capital improvement program or an operating program, and that funding is available. A project number is assigned in this process.

A Project Initiation also identifies what Level, as defined by DelDOT, or Class, as defined by the Federal-Aid Program Manual, a project may fall into. Both of these project identifiers are related to the anticipated effects a project will have on the public either socially or economically, whether it is directly or indirectly. The evaluation of these effects early in the project initiation determines the degree of public involvement to be sought during project development. A third factor considered are the many environmental issues that have been established both locally and nationally.

A *Level A* project is one in which the potential exists for significant impacts on the public and the environment, or any other project which is a Class I action under the definition of the Federal-Aid Policy Guide.

Level A projects usually involve a major planning effort to establish need, recommended approach and impacts prior to defining services required for implementation.

A *Level B* project is defined as a Class III action under the definition of the Federal Aid Program Manual. The significance of the impact on the environment is not clearly established. Significant social and economic effects on the public may occur involving substantial amounts of new right of way. A public hearing is anticipated.

A *Level C* project is defined as a Class II (categorical exclusion) action under the definition of the Federal Aid Policy Guide, and will not require an environmental impact statement or environmental assessment. Level C projects normally does not require a public hearing.

Level D projects are minor projects that will not have significant impact on the public or the environment. In highway design, such projects

would involve resurfacing of existing facilities, widening of less than one lane, the addition of auxiliary lanes, replacement of existing structures, installing traffic control devices, signs and lights, or minor safety projects.

Level A and B projects will normally be assigned directly to the Office of Planning. Level C and D projects, depending upon the scope of work and complexity, will either be assigned to the Office of Preconstruction, the Office of Highway Operations or the Delaware Transit Authority.

1.2.2 STAFF WORK LOAD ANALYSIS

The Office of Financial Management and Budget assigns initiated projects to the responsible Office. The Office of Financial Management and Budget is also responsible for assessing the status of the Department's short- and long-range program objectives and keeping sections abreast of each project's priority as related to program goals.

To meet new assignments, DelDOT managers must continually monitor staff commitments, capabilities, work loads, priorities and schedules.

When a DelDOT manager receives a newly initiated project, it is evaluated and ranked in terms of:

- complexity and type of work,
- required staffing mix,
- estimated person-hours and calendar time to complete,
- unique features,
- any special expertise requirements, and
- other considerations.

This general overview of possible future staff commitments is analyzed in conjunction with current staff assignments to determine whether the work can be performed efficiently in-house or if outside services must be obtained.

1.2.3 PRIMARY REASONS FOR NEED

The Department meets its mandated role to provide multi-modal transportation services by providing a variety of professional services. Professional services required to meet this mandate cover a wide range of disciplines involving every facet of transportation-related technical areas. DelDOT maintains a staff of professionals trained in the most frequently encountered disciplines.

However, some projects have unique or special characteristics and, therefore, require specialized professional disciplines. Because the need for these specialized services occur infrequently, it is not economically feasible for DelDOT employees to acquire or maintain this expertise.

At other times, DelDOT does not have sufficient in-house staff to meet the program objectives in a timely way. Some projects may not be complex or difficult, but due to the size and number of tasks, require the commitment of large numbers of personnel for extended periods of time. Staff commitments and their time are two items at a premium in DelDOT. Managers carefully balance both of these resources to meet critical goals.

Therefore, it becomes necessary for DelDOT to obtain outside professional services to:

- meet unique project requirements,
- address specialized services, or
- supplement staff workloads.

1.3 DIRECTOR'S APPROVAL

Once a Section Head determines that the section cannot effectively pursue the project, approval to procure outside services is requested from the responsible Director. After approval by the Director, approval by the Secretary must be obtained. The initiating section must make an initial project evaluation to support such a request.

1.4 PROJECT MANAGER ASSIGNMENT

A Project Manager is designated to be responsible and accountable for managing the project both technically and financially—and to prepare the supporting justification for procuring outside services.

Project Managers must conform to the policies and procedures defined in this manual when procuring and managing outside professional services. A checklist of key steps with responsibilities is provided in Appendix A and Applicable State Laws in Appendix B.

1.5 PROJECT EVALUATION

To obtain written approval from the Secretary to utilize outside services, the Project Manager must evaluate the project needs in some depth. This initial analysis will be used as a baseline for short listing, selecting, and negotiating a contract with the highest-ranked consultant.

The initial evaluation of services should include the following:

- A project description and scope of services, including any anticipated phasing or critical milestones.
- A preliminary cost estimate for consultant services, if available, broken down into tasks and distribution of personnel, including estimated person-hours and days.
- A preliminary estimate of time to complete in months.
- The most critical project features.
- Any special or specific criteria.
- Any special specifications.
- Any special standards to be followed.
- Identification of any unusual problems—technical or otherwise.
- Identification of any tasks that may reasonably require or lend themselves to use of subconsultants, including DBE areas of expertise.

1.6 DBE GOAL DETERMINATION

Goals for participation of disadvantaged business

enterprises (DBEs) may be required on federal-aid projects. The Project Manager meets with the Disadvantaged Business Enterprise Office (DBE) to review the initial analysis of required services. The entire project or various subtasks are reviewed for utilization of certified DBE firms. The DBE Office keeps a current record of certified firms and the areas of expertise in which they are approved. The Department's DBE policy is presented in Appendix C.

1.7 SECRETARY'S APPROVAL

After completing the initial evaluation of services and DBE status, the Project Manager prepares the formal approval request for submission through the Section Head and Director.

This request usually includes:

- the project title,
- the contract number,
- a general description,
- a scope of services,
- the method of compensation, if determined,
- procedure to be followed for shortlisting and selecting a firm,
- an explanation of why the initiating section cannot perform the work,
- the estimated project cost (from the C.I.P.),
- whether or not federal or another sponsoring agency funding is involved,
- the estimated agreement upset limit,
- a verification that funding is available,
- proposed Shortlist Committee members,
- proposed Selection Committee members, and

- the anticipated schedule for completing the selection, as agreed to with the Consultant Control Coordinator.

The funding verification may be obtained verbally but should be so noted on the request letter with the date and initials of the person verifying the funding. A copy of the request letter should be sent to the Office of Financial Management and Budget.

Figure 1-2 illustrates the initial data and form that the Project Manager should develop for submission, or to back up, the request for the Secretary's approval.

**Figure 1-1
Combined Project Initiation and Project Number Request Form**

Combined Project Initiation and Project Number Request		
State		Federal FHWA
Project No.:		Project No.:
Funding	Year:	Funding
County:	District:	Percent: %
Maint. Rd. No.:		This project will be administered under the FHWA stewardship agreement.

Project Title:

Detailed Location:

Detail work description & typical section:

Project assigned to: _____ \$ _____ available for _____ phase

Authorization to proceed: _____ date: _____
(assistant director, Financial Management & Budget)

class I € class II € class III € public hearing €

level A € level B € level C € level D € plans available €

no public involvement € "if" notice € public meeting or workshop €

Notes, comments made by Project Development Committee:

Chairperson, Proj Dev Committee: _____ date: _____

Concurrence, Fed Hwy Administration: _____ date: _____
Division Administrator

Figure 1-2
Secretary's Approval Request Form

Project Title: _____

Contract Number: _____

1. General project description: _____

2. Scope of services to be requested: (May be a separate attachment) _____

3. Method of payment: *Cost plus fixed fee* ☐ *Lump Sum* ☐
(if determined)

Specific Rate of Pay ☐ *Cost per Unit of Work* ☐

4. Method of procurement to be followed: (See Chapter 3) _____

5. Justify the need for services: _____

6. Estimated project cost: (Use Capital Improvement Program Estimate) _____

7. Federal-Aid: Yes ___ No ___

8. Estimated consultant fee: (Indicate, if by phases) _____
_____ (UPSET LIMIT)

9. Is funding available: _____ Financial Management & Budget
(May be obtained verbally, show date and approval initials)

10. List Proposed Shortlist and Selection Committee membership: _____

11. Indicate anticipated selection schedule: _____

Prepared by: _____ Date _____
(Title)

Recommended by: _____ Date _____
(Section Head)

Approved: _____ Date _____
(Director)

Approved: _____ Date _____
(Secretary)